

**MINUTES OF REGULAR MEETING  
OPEN SESSION  
ILLINOIS GAMING BOARD  
OCTOBER 15 and 16, 2007  
CHICAGO, ILLINOIS**

NOTE: ITEMS IN **BOLDFACE PRINT** REFLECT OFFICIAL BOARD ACTIONS

On Monday, October 15, 2007 a Regular Meeting of the Illinois Gaming Board ("Board") was held in the conference room of the Gaming Board Offices on the 3<sup>rd</sup> floor at 160 N. LaSalle, Chicago, Illinois.

On Monday, October 15, 2007 at 10:00 a.m. the following Board Members were present: Chairman Aaron Jaffe, Members Charles Gardner, James Sullivan and Eugene Winkler.

At 10:00 a.m. on Monday, October 15, 2007 Chairman Jaffe called the meeting to order. Pursuant to Section 2(c), paragraphs (1), (4), (11), (14) and (21) of the Open Meetings Act and Section 6(d) of the Riverboat Gambling Act, Member Gardner moved that **the Board retire to Closed Session to discuss the items listed under Closed Session on today's agenda and relating to the following subject matters:**

- 1. Pending Litigation and matters involving probable litigation;**
- 2. Investigations concerning applicants and licensees;**
- 3. Personnel matters;**
- 4. Closed session minutes; and**
- 5. Evidence and testimony presented in disciplinary hearings.**

Member Gardner seconded the motion. The Board approved the motion unanimously by roll call vote. The Board remained in Closed Session until approximately 2:00 p.m. The Board recessed until Tuesday, October 16, 2007 at 10:00 a.m. and went into open session at 10:30 a.m.

Roll call was taken at the start of the open session with Chairman Jaffe, Members Gardner, Sullivan, Winkler and Moore present.

**APPROVAL OF MINUTES**

Member Gardner moved that **the Board approve the closed session minutes of its Regular Meeting of September 17 and 18, 2007 and open session minutes of the Regular Board meeting of September 18, 2007.** Member Winkler seconded the motion. The Board approved the motion unanimously by roll call vote.

**CHAIRMAN'S REPORT/COMMENTS –**

The Chairman stated that maybe by next meeting we will have some answers to the legislation as far as gaming goes.

Member Winkler wanted to comment on Ms. Gilroy's statement to the Board at the August, 2007 meeting concerning the promotions at the various casinos. Member Winkler asked that Chief Counsel Fries give an update as to that issue.

Fries referenced Ms. Gilroy's statement about the promotions relating to the lottery. The legal staff is continuing to analyze this situation. Staff has talked with past members of the Gaming Board and various casinos outside of the Illinois area and perhaps by next month's meeting staff will have acquired enough information to comment on Ms. Gilroy's concerns.

#### **ADMINISTRATOR'S REPORT** – no motion

Administrator Ostrowski stated that the November meeting will be held on the 19<sup>th</sup>. There will be a Special meeting on December 6, 2007 (due to scheduling issues the SEP meeting was subsequently changed to December 3, 2007) from 10:00 a.m. to 1:00 p.m. concerning patron access to casinos on the SEP program. This will be a meeting open to the public; getting their views on the swiping of driver's licenses when entering the casino in an effort to cut down the SEP's from entering the casino. The December meeting will take place on December 17 and 18, 2007. Administrator Ostrowski referenced that Hollywood's request for waiver of the two-meeting rule and their request to install a retail tobacco store is being pulled from this month's agenda. Also, as it pertains to Ed Duffy in conjunction with the Pledge Agreement the Board is not considering him or his status as a key person at this time. Administrator Ostrowski also commented on his visit to Casino Rock Island at the groundbreaking ceremony and the progress that has been made in preparing the site for construction.

#### **BOARD POLICY ITEM**

- Rule 1071 – Admission Tax

Member Moore moved that **the Board authorize staff to submit a proposed amendment to section 1071 of the Adopted Rules for First Notice Filing with the Joint Committee on Administrative Rules.** Member Gardner seconded the motion. The Board approved the motion unanimously by role call vote.

#### **OWNER LICENSEE ITEMS**

##### a. Items for Initial Consideration

- MGM – Infinity World Investments LLC – Waiver of the Two Meeting Rule and Request to Approve Pledge Agreement

Pursuant to section 3000.260 of the Board's Adopted Rules Member Sullivan moved **to waive the two-meeting rule required by section 3000.105(e) of the Rules to permit Infinity World Investments LLC to present its request for approval of a Pledge Agreement.** Member Gardner seconded the motion. The Board approved the motion unanimously by role call vote.

Member Gardner went on to ask why couldn't Infinity World wait one more month? Paul Jensen stated that in order to purchase more funds the money has to be in their possession so that the transaction can be completed.

Chief Legal Counsel Fries stated that the necessity to get approval is not necessary when you are dealing with a public corporation; you don't need prior Board approval for purchasing of public shares. Also, this is unlike the typical investor purchase that the Board is accustomed to dealing with.

Member Gardner also stated that they are below the 5% threshold.

The Chairman stated that the Board has many questions about the structure of the purchase.

Paul Jensen explained that this is a private company. It is not owned by the Dubai Government.

b. Items for Final Action –

- MGM – Infinity World Investments LLC – Waiver of the Two Meeting Rule and Request to Approve Pledge Agreement (If Waiver of Two-Meeting Rule Approved)

Based on staff's investigation and recommendation and pursuant to section 235(b) of the Adopted Rules Member Winkler moved **to approve Infinity World Investments' pledge of MGM stock to Credit Suisse Investment, Deutsche Bank AG and the Royal Bank of Scotland PLC. The Pledge is associated with Infinity World's purchase of 4.75% of MGM and is a component of its financing package.** Member Sullivan seconded the motion. The Board approved the motion unanimously by roll call vote.

- Alton Gaming Company d/b/a Alton Belle Casino – License Renewal

Member Winkler stated that the Board is concerned about their Social Investment Strategy and the diversity of their employment. The Board wants to see improvement in these areas.

Member Gardner stated that he does not understand why Alton Gaming cannot be more diverse. Additionally, only 12% of the dollars are spent with Illinois vendors, and the percentage is smaller than the preceding year. Also, expenditures with MBE and WBE's falls short by 5%. Member Gardner is asking for sincere consideration of these issues.

Rich Laudon stated that they are doing all that they can in pursuing an upward turn in these areas of concern. There was some confusion about the numbers in the report. If needed, Rich Laudon stated that they would get more accurate figures.

Member Gardner stated that the numbers compared to last year seem to have gone down. The Board encourages improvement.

Member Winkler stated that the Board's concern is that the minority numbers seem to be at the low end of the pay scale, and that needs improvement. Alton General Manager Rich Laudon stated that they are trying very hard to promote from within.

Member Gardner stated that there also needs to be an improvement in their social investment strategy.

Based on a review of staff's investigation and recommendation, Member Gardner moved that **the Board approve the Owner's License of the Alton Gaming Company for a term of 4 years expiring in October 2011.**

**Furthermore, staff recommends that the Board designate the following business entities, individuals and positions as Key Persons of Alton Gaming Company:**

- 1. Penn National;**
- 2. Argosy Gaming Company;**
- 3. President;**
- 4. Director;**
- 5. Vice President of Internal Audit;**
- 6. Regional Director of Internal Audit;**
- 7. Peter M. Carlino;**
- 8. Leonard M. DeAngelo, and**
- 9. Gregg W. Hart.**

Member Moore seconded the motion. The Board approved the motion unanimously by role call vote.

- Harrah's Joliet – License Renewal

Member Winkler stated that Harrah's has a wonderful operation in the Joliet community.

Member Moore stated that Harrah's has made good progress in the supplier diversity area. He went on to state that he is disappointed in the makeup of management at Harrah's. Member Moore was hoping that the pool of candidates for Joe Domenico's replacement would have been more diverse. It is important that every general manager listen to the comments that were made to Alton. Member Moore stated that diversity is very important. Member Moore stated that more can be done especially in relation to the Level 1's at the casinos.

Joe Domenico stated that Harrah's takes this all to heart. Harrah's is committed to making a good faith effort and takes this issue very seriously.

Based on a review of staff's investigation and recommendation, Member Moore moved that **the Board approve the Owner's License of Des**

**Plaines Development Limited Partnership (DDL P) d/b/a Harrah's Joliet Casino & Hotel for a term of four years retroactive to September 2007 and expiring in September 2011.**

**Furthermore, staff recommends that the Board designate the following business entities, individuals and positions as Key Persons of DDL P:**

- 1. Harrah's Entertainment, Inc.;**
- 2. Harrah's Operating Company, Inc.;**
- 3. Harrah's Illinois Corporation;**
- 4. Des Plaines Development Corporation;**
- 5. President, Harrah's Entertainment, Inc.;**
- 6. Chief Executive Officer, Harrah's Entertainment, Inc.;**
- 7. President, Harrah's Illinois Corporation;**
- 8. Director of Internal Audit, Midwest Region, Eastern Division, Harrah's Entertainment, Inc.;**
- 9. Internal Audit Manager, Midwest Region, East Division, Harrah's Entertainment, Inc.;**
- 10. Vice President, Security, Surveillance and Investigations, Harrah's Entertainment, Inc.;**
- 11. Gary Loveman;**
- 12. John Q. Hammons;**
- 13. Juan Carlos Tolosa;**
- 14. Grant D. Ashley, and**
- 15. Brandy Baltz.**

Member Gardner seconded the motion. The Board approved the motion unanimously by role call vote.

Joe Domenico introduced Darren VanDover as his replacement and Senior Vice President.

- Harrah's Metropolis – John Budnyk, Director of Security – Level One

Based on staff's investigation and recommendation, Member Sullivan moved that **the Board approve John Budnyk as an Occupational Licensee Level 1 in his position as Director of Security for Harrah's Metropolis Casino & Hotel.** Member Moore seconded the motion. The Board approved the motion unanimously by role call vote.

- Harrah's Metropolis – Kelly Ann LaRosa, Senior Internal Auditor – Level One

Based on staff's investigation and recommendation, Member Sullivan moved that **the Board approve Kelly Ann LaRosa as an Occupational Licensee Level 1 in her position as Senior Internal Auditor for**

**Harrah's Metropolis Casino & Hotel.** Member Moore seconded the motion. The Board approved the motion unanimously by role call vote.

- Harrah's Metropolis – Michael Rich, General Manager – Level One

Based on staff's investigation and recommendation, Member Sullivan moved that **the Board approve Michael Rich as an Occupational Licensee Level 1 in his position as General Manager for Harrah's Metropolis Casino & Hotel.** Member Gardner seconded the motion. The Board approved the motion unanimously by role call vote.

- Casino Queen – Charles W. Bidwill III and The Bidwill Succession Trust – Request to Pledge Shares

Member Gardner asked if the Board members and shareholders of Casino Queen approved of this transaction. Chief Legal Counsel Fries stated that the in-house counsel stated that they are fully aware and that the shareholder agreement provides for transfers to other family members as well as transfer to trusts.

Based on staff's investigation and recommendation, Member Sullivan moved that **pursuant to section 235(b) of the Adopted Rules to approve the request of Charles W. Bidwill III and the Bidwill Succession Trust to pledge two shares of Casino Queen Inc. to the Bidwill Pledge Trust, of which Charles W. Bidwill III is Trustee and Edward T. Duffy is beneficiary.** Member Winkler seconded the motion. The Board approved the motion unanimously by role call vote.

#### SUPPLIER LICENSEE ITEMS

- Bally Gaming, Inc. – License Renewal

Based on a review of staff's investigation and recommendation, Member Winkler moved that **the Board renew the Supplier's license of Bally Gaming Inc. for a term of four (4) years expiring in October 2011.**

**Furthermore, Member Winkler moved that the Board designate the following business entities, individuals and positions as Key Persons of Bally Gaming, Incorporated:**

1. **Bally Technologies, Incorporated;**
2. **Alliance Holding Company;**
3. **Bally Gaming International, Incorporated;**
4. **President/Chief Executive Officer of Bally Gaming, Incorporated, and**
5. **Richard M. Haddrill.**

Member Gardner seconded the motion. The Board approved the motion unanimously by role call vote.

- NRT Technology Corporation – License Renewal

Based on a review of staff's investigation and recommendation, Member Gardner moved that **the Board renew the Supplier's license of NRT Technology Corporation for a term of four (4) years expiring in October 2011.**

**Furthermore, Member Gardner moved that the Board designate the following business entities, individuals and positions as Key Persons of NRT Technology Corporation:**

- 1. Dominet Corporation;**
- 2. John Dominelli, and**
- 3. CEO/President.**

Member Sullivan seconded the motion. The Board approved the motion unanimously by role call vote.

#### **OCCUPATIONAL LICENSES APPROVALS & DENIALS - Level 2's & 3's**

Based on staff's investigation and recommendation, Member Moore moved that **the Board approve 38 applications for an Occupational License, Level 2, and 134 applications for an Occupational License, Level 3.**

Further, Member Moore moved that **the Board direct the Administrator to issue a Notice of Denial to the following individuals who received notice that staff intended to recommend denial and either did not respond or provide additional information to rebut the recommendation.**

- 1. Adrian Velentin;**
- 2. Troy Lee Willis;**
- 3. Lester L. Black;**
- 4. Omar Shantez Mims;**
- 5. Lonzell Antonio Richardson;**
- 6. Robert M. Tinsley;**
- 7. Scott R. Hartkopf;**
- 8. Lasharne M. Ester;**
- 9. Ricardo Antonio Castellanos;**
- 10. Aubrey Glen Harris, and**
- 11. Antoine Deon McKenney.**

Member Gardner seconded the motion. The Board approved the motion unanimously by role call vote.

### **PROPOSED COMPLAINTS AND DISCIPLINARY ACTIONS**

- Candalia Louis Goins, Occupational Licensee

Based on staff's investigation and recommendation, Member Sullivan moved that **the Board issue a Disciplinary Complaint against Candalia Louise Goins, an occupational licensee, based on her July 31, 2007 conviction for theft.**

Further, Member Sullivan moved **that the Board revoke Candalia Louise Goins' occupational license. Said action to take affect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Winkler seconded the motion. The Board approved the motion unanimously by role call vote.

- Michelle Lee Carpenter, Occupational Licensee

Based on staff's investigation and recommendation, Member Sullivan moved that **the Board issue a Disciplinary Complaint against Michelle Lee Carpenter, an occupational licensee, based on her August 2, 2007 conviction for theft.**

Further, Member Sullivan moved that **the Board revoke Michelle Lee Carpenter's occupational license. Said action to take affect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Gardner seconded the motion. The Board approved the motion unanimously by role call vote.

- Jose Angel Acevedo-Lemus, Occupational Licensee

Based on staff's investigation and recommendation, Member Sullivan moved that **the Board issue a Disciplinary Complaint against Jose Angel Acevedo-Lemus, an occupational licensee, for failing to disclose his May 7, 2007 arrest and August 6, 2007 conviction.**

Further, Member Sullivan moved that **the Board suspend Jose Angel Acevedo-Lemus' occupational license for 5 days without pay. Said action to take affect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Winkler seconded the motion. The Board approved the motion unanimously by role call vote.



- Capri Sade Shoemaker, Occupational Licensee

Based on staff's investigation and recommendation, Member Winkler moved that **the Board issue a Disciplinary Complaint against Capri Sade Shoemaker, an occupational licensee, for failing to disclose her August 20, 2007 arrest.**

Further, Member Winkler moved that **the Board suspend Capri Sade Shoemaker's occupational license for 3 days without pay. Said action to take affect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by role call.

- Jorge Nava, Jr., Occupational Licensee

Based on staff's investigation and recommendation, Member Winkler moved that **the Board issue a Disciplinary Complaint against Jorge Nava, Jr., an occupational licensee, for failing to disclose his July 31, 2007 arrest.**

Further, Member Winkler moved that **the Board suspend Jorge Nava, Jr.'s, occupational license for 5 days without pay. Said action to take affect twenty-one (21) days from the date of service of the complaint unless the licensee files an Answer within that time period.** Member Sullivan seconded the motion. The Board approved the motion unanimously by role call vote.

## **ADJOURNMENT**

At 11:25 a.m. Member Gardner motioned for adjournment while Member Sullivan seconded the motion.

Respectfully submitted,

Mary C. Boruta  
Secretary to the Administrator